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CENTRAL INTELLIGENCE AGENCY

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SUBJECT Situation of Kulaks in Silesia

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1. "It is enough to own as little as 5 hectares of land in Communist Czechoslovakia to be classified in the persecuted farmers' class, the kulaks. They are assessed with high taxes, must fulfill high delivery quotas and are put at disadvantage by scores of restrictive laws and regulations. A decree issued on 1 January 1950 provides for instance that kulaks are not allowed to employ any hired hands on their farms. A second Communist decree defines family member as only persons who are registered with the head of the family on the same food ration card. A further regulation states that the only family members who can be registered on the family food ration card are those who actually live from the output of the farm and have no other job or source of income.

2. pay the following yearly taxes (1952):

- | | | |
|------------------|---|--|
| (a) Turnover tax | - | 3% of the annual turnover; |
| (b) Land tax | - | 3% based on the land's productivity (all farmland in Czechoslovakia is divided into 3 categories, from the point of view of productivity); |
| (c) Building tax | - | 1 1/2% of the value of the house and other farm buildings. |

3. "In addition to annual taxes, all farmers have to deliver compulsory quotas of farm products to the State collection points. For the purpose of such deliveries farmers are divided into five groups:

Group 1. - up to 3 ha. of farm-land (except farm deliveries);

2. - 4 ha. of land;

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3. - 4-6 ha. of land;
4. - 6-10 ha. of land;
5. - 10 ha. or more land.

4. "These various groups must deliver varied amounts of corn per hectare. While, for example, Group 2 has to deliver 8 quintals per ha., Group 5 must deliver as much as 20 quintals per hectare. (Prices - July 1952). The lower groups receive higher prices for the delivered corn. Group 2 for instance (4 ha. of land) receives for delivered wheat 380 kc. per quintal. At the same time Group 5 (10 ha. of land) paid only 310 kc. for the same amount. The same price differential exists for deliveries of rye, barley and oats.
5. "The farmers are allowed to substitute deliveries of other agricultural products for their corn quotas. The procedure for such exchange of products and the price calculation is, in each category, works out to the disadvantage of the farmer. Most of the farmers prefer to buy corn on the free or the black market for high prices, so as to make their deliveries in corn, rather than go through with the complicated exchange procedure by which they would lose even more.
6. "Today a farmer's most important occupation is no longer the actual cultivation of his land, but rather, good planning: To find the best combination of agricultural products which will fetch the best prices on the various kinds of markets. This planning at the beginning of the season is very much like playing on the stock market. To illustrate this point I list the following examples (summer 1952):

<u>Product:</u>	<u>Compulsory delivery:</u>	<u>Official free market:</u>	<u>Black market:</u>
wheat per quintal	380 Kc.	475 Kc.	630 Kc.
new potatoes per quintal	450 Kc.	660 Kc.	In July 1952 the price of new potatoes in the industrial districts of Silesia was as low as 100 hr. per kg.
Pork meat per kg.	25-32 Kc. per kg. for live swine, according to quality	150-400 Kc., selected meat	200-250 Kc.: slaughtered pig, not selected, with bones.
Lard, fine quality, per kg.	42 Kc.	450 Kc.	250 Kc.
1 egg	2 Kc.	4.50-8 Kc.	5-6 Kc.

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7. "This table shows that some basic food products are cheaper on the black market than on the official free market. Farmers are allowed to sell products on the free market only after having fulfilled their compulsory delivery quotas.
8. "The free market is operated by State-controlled cooperatives. When selling products to these cooperatives at free market prices, the farmers are not paid in cash. The amount due them is credited to their bank accounts.
9. "It is particularly dangerous for kulaks to engage in free market transactions with authorized State cooperatives because:
 - (a) they have to fulfill all their compulsory delivery quotas first, which in itself is rather difficult (high quotas for each product, no outside farm help, exchange procedure, etc.);
 - (b) by selling their surplus to State cooperatives they automatically reveal the real productivity of their farm, which might have been estimated lower by the authorities, with the result that the following year they may expect higher delivery quotas and classification in a higher turnover tax group;
 - (c) as they are not paid in cash they are forced to buy everything they need from the State cooperative, through which the authorities can check and gain further insight into their financial situation.
10. "To avoid all these unpleasant consequences and controls, farmers prefer to sell their surplus products even at lower prices on the black market. As a result townspeople are able to buy farm products, primarily meat and dairy products, direct from the farmers at lower prices than those prevailing on the official free market.
11. "The situation is entirely different for wheat. Here the black market prices are high because private persons seldom buy wheat from the farmer directly. Black market deals in this rather bulky commodity are dangerous, and the demand for black market wheat is high because the farmers themselves are buying it up in order to be able to fulfill their compulsory wheat quotas.
12. "These prevailing conditions on the food market, resulting from the compulsory delivery system and the sharp differences in prices, have a further consequence. The State cooperatives must receive supplies, though the State lets them have near to nothing from its own reserves. Therefore, in order to supply the cooperatives all kolkhozes (druztva) and sovkhoses (statni statnik) are forced to sell all the surplus left from their compulsory deliveries to these cooperatives. For all these supplies coming from the kolkhozes, special prices have been fixed: e.g. kolkhozes get for live pigs 150 Kz. per kg., while the cooperatives sell pork meat for at least 400 Kz. per kg. Even calculating an average of 22% weight-loss between live stock and the pork meat on sale, the difference between the purchasing price and the cooperative's sale price is still higher than 100%. The burden of this price calculation, the immense profits made by the cooperatives, is naturally at the expense of the kolkhoz members. The lower the prices paid the kolkhozes by the State cooperatives, the lower the personal income of kolkhozniks at the end of the year when the individual dividends are computed."

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